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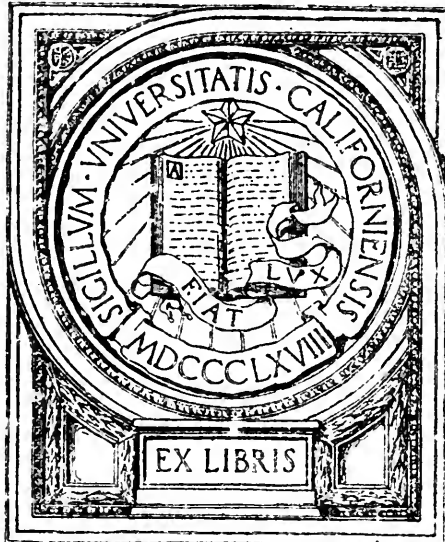
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Postal Savings System
BOARD OF TRUSTEES

July

**REGULATIONS
GOVERNING THE DEPOSIT
OF POSTAL SAVINGS FUNDS
IN BANKS
AND THE ACCEPTANCE OF BONDS
AS SECURITY THEREFOR**

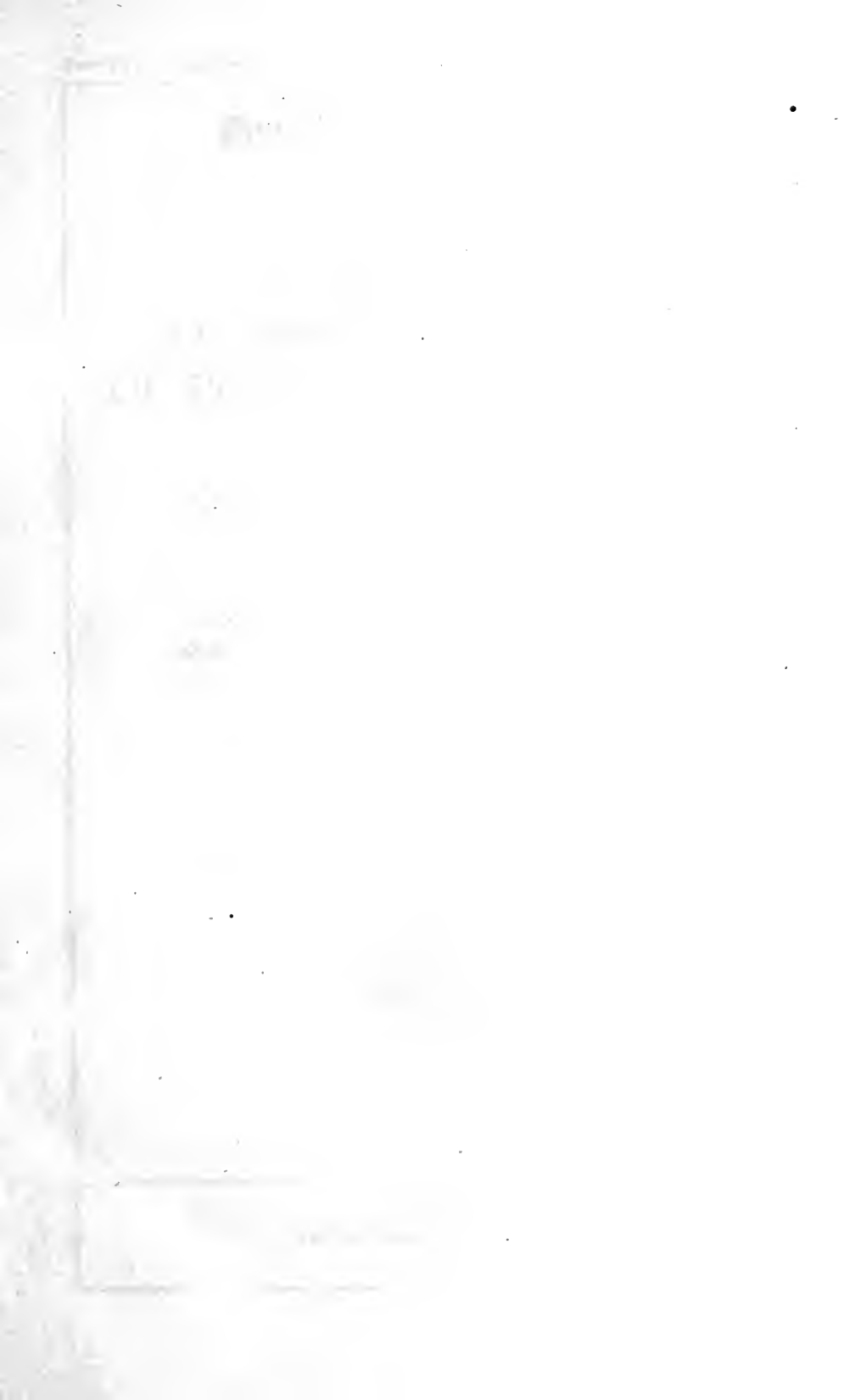
ISSUED BY THE BOARD OF TRUSTEES
UNDER AUTHORITY OF ACTS OF CONGRESS

EDITION OF AUGUST, 1916.



WASHINGTON
GOVERNMENT PRINTING OFFICE
1916







Postal Savings System
BOARD OF TRUSTEES

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U. S. Post-office dept.



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POSTAL SAVINGS SYSTEM,
OFFICE OF THE BOARD OF TRUSTEES,
Washington, D. C., August 16, 1916.

At a meeting of the Board of Trustees of the Postal Savings System held August 16, 1916, the following resolution was adopted:

“Resolved, That under authority of the act of Congress approved June 25, 1910, and the several amendments thereto, the Board of Trustees hereby approves and promulgates the accompanying revision of the regulations governing the deposit of postal savings funds in banks, and the acceptance of bonds as security therefor, to take effect immediately and to supersede all previous editions and all regulations and rulings in conflict therewith.”

A. S. BURLESON, *Postmaster General.*

W. G. McADOO, *Secretary of the Treasury.*

T. W. GREGORY, *Attorney General.*

Board of Trustees, Postal Savings System.

Attest:

A. M. DOCKERY,

Third Assistant Postmaster General,

Secretary of the Board of Trustees.

POSTAL SAVINGS SYSTEM.

REGULATIONS GOVERNING THE DEPOSIT OF POSTAL SAVINGS FUNDS IN BANKS AND THE ACCEPTANCE OF BONDS AS SECURITY THEREFOR.

ISSUED BY THE BOARD OF TRUSTEES UNDER AUTHORITY OF ACTS OF CONGRESS.

SECTION 1. The administration of the Postal Savings System is by law divided into two parts. The Postmaster General is charged with the designation of post offices as postal savings depositories, the supervision of postal savings business transacted at depository post offices, and the conduct of the central administrative office at Washington. The Board of Trustees, consisting of the Postmaster General, the Secretary of the Treasury, and the Attorney General, is charged with the management and investment of postal savings funds after they leave the custody of postmasters. (Act of June 25, 1910, sec. 1, as amended by the act of Aug. 24, 1912.) The Treasurer of the United States is treasurer of the Board of Trustees. (Act of May 18, 1916, sec. 2.)

SEC. 2. The Third Assistant Postmaster General is hereby constituted the agent of the Board of Trustees for all purposes connected with the qualification of depository banks, the fixing of the amounts of securities to be deposited and withdrawn by such banks and the conditions of such deposits and withdrawals, the deposit of postal savings funds to the credit of said board and the withdrawal and transfer of such funds, the authorization of the sale of securities of banks which fail or decline to repay deposits on demand, the purchase of postal savings bonds for depositors, and the repurchase of such bonds for the purpose of maintaining their parity.

2. In the event of the absence or inability to serve of the Third Assistant Postmaster General, the chief clerk to the Third Assistant Postmaster General is authorized to act as the agent of the Board of Trustees, for the purposes stated, in conformity to section 178, Revised Statutes.

3. All correspondence and reports intended for the Board of Trustees shall be addressed to the Third Assistant Postmaster General, Division of Postal Savings, Washington, D. C.

ELIGIBILITY OF BANKS.

SEC. 3. The act of May 18, 1916 (amending sec. 9 of the act of June 25, 1910), prescribes that the funds received at postal savings depository offices in each city, town, village, or other locality shall be deposited, in the order of precedence specified in paragraph 2 of this section, in solvent banks located therein, whether organized under National or State laws, and whether member banks or not of the Federal Reserve System established by the act approved December 23, 1913, being subject to National or State supervision and examination, willing to receive such deposits under the terms of the act and the regulations made by authority thereof. The word "bank" as used in the law includes savings banks and trust companies doing a banking business.

2. If one or more member banks of the Federal Reserve System exist in any city, town, village, or locality where postal savings deposits are made, such deposits are required to be placed in such member banks, provided they qualify to receive them, substantially in proportion to the capital and surplus of each such bank; but if such member banks fail to qualify to receive the deposits, then any other banks located therein and eligible as hereinbefore provided may qualify to receive them, and the deposits shall be placed in such qualifying banks substantially in proportion to their capital and surplus. If no bank eligible to qualify exists in any city, town, village, or locality, or if none where such deposits are made will receive them on the terms prescribed, then such funds shall be deposited under the terms of said act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then the same are required to be deposited with the Treasurer of the Board of Trustees. The law requires that 5 per centum of the postal savings funds shall be withdrawn by the Board of Trustees and kept with the Treasurer in lawful money as a reserve.

QUALIFICATION OF BANKS.

SEC. 4. Any eligible bank desiring to qualify for deposits of postal savings funds shall transmit to the Third Assistant Postmaster General, Division of Postal Savings, Washington, D. C., an application accompanied by a report showing fully the condition of the bank on a day not more than one month prior to the date of such application. Such report shall be sworn to by the president or cashier and attested as correct by two members of the board of directors, who shall also certify the amount of paid-in capital and unimpaired surplus, exclusive of undivided profits. Blank application forms may be obtained from the Third Assistant Postmaster General, Division of

Postal Savings, Washington, D. C. No deposits will be made in any bank until it shall have complied with the provisions of this section and deposited securities which meet the requirements of section 8.

SEC. 5. Upon receipt of the application required by section 4, properly completed, from a bank authorized to qualify under the law, the Third Assistant Postmaster General will inform such bank of the initial amount of bonds or other securities which it will be required to deposit as security for postal savings funds.

2. A minimum initial deposit of bonds of the total par value of \$5,000 will be required from a bank qualifying at a first-class post office; of the total par value of \$1,000 at a second or third class office; and of the total par value of \$500 at a fourth-class office; but no deposit of bonds of a total par value less than \$500 will be accepted. If warranted by the anticipated deposits, greater initial amounts of securities than those above specified may be required.

3. Bonds or securities conforming to the requirements of section 8 and in the amount specified in the notification of the Third Assistant Postmaster General shall be forwarded by the bank directly to the Treasurer of the United States, Washington, D. C.¹

4. Either registered or coupon bonds will be accepted, but all *registered* bonds shall be registered in the name of "The Treasurer of the United States, in trust for the ——— Bank, of ———, as security for postal savings funds." The Treasurer of the United States will dispose of maturing coupons and checks covering interest accruing on registered bonds as directed by the banks.

SEC. 6. The Third Assistant Postmaster General will inform the Treasurer of the United States of the amounts of securities which the respective banks are required to deposit. Upon receipt of such securities, the Treasurer shall determine, as matter of fact, whether the securities conform to the requirements of these regulations. He shall then submit a statement of his findings to the Solicitor for the Post Office Department, who shall determine, as matter of law, whether such securities are legally acceptable under the act of May 18, 1916, and the regulations herein set forth, and who for that purpose shall have access to the securities. No securities shall be accepted until their legal acceptability has been determined by the Solicitor for the Post Office Department.

2. If such bonds are accepted, the Treasurer shall issue his receipt therefor in duplicate, forwarding the original to the Third Assistant Postmaster General with advice of his action, and the duplicate to the bank depositing the securities. If the bonds are held not to

¹ To facilitate examination as to legal acceptability of securities, banks are requested to forward, at the time the securities are tendered, for the use of the Solicitor for the Post Office Department, certified copies of final legal opinions as to the validity of such securities, or, if such opinions are not available, certified transcripts of the recorded proceedings, including certificates covering the due execution and sale of such bonds.

conform to the requirements of the law or these regulations, they shall be retained subject to the order and at the risk of the bank for whose account they were tendered, and the bank so notified. If the bonds are insufficient in amount, the bank shall be requested by the Treasurer to furnish additional bonds.

SEC. 7. On receipt of notice from the Treasurer of the United States that the securities required of any bank have been received and accepted, the Third Assistant Postmaster General will notify such bank that it has qualified to receive deposits of postal savings funds. He will state the amount fixed as the maximum balance which may be held by such bank, and will instruct the proper postmaster to make deposits therein.

SECURITY FOR DEPOSITS.

SEC. 8. The Board of Trustees hereby prescribes and approves such security in public bonds or other securities, authorized by act of Congress or supported by the taxing power, as it deems sufficient and necessary to insure the safety and prompt payment on demand of postal savings deposits, and fixes the value at which the securities so prescribed and approved shall be accepted for the purposes named. Such securities, in the amount so specified, shall be deposited with the Treasurer of the Board of Trustees.

2. The Board of Trustees will accept as security for postal savings deposits, at the respective values herein fixed, negotiable interest-bearing bonds or securities, issued under express constitutional or statutory provisions, of the following classes, viz:

(a) Bonds of the United States, of the Philippine Islands, of the District of Columbia, and of Porto Rico, will be accepted at their par value.

(b) Bonds of any State of the United States and of the Territory of Hawaii will be accepted at their market value, but if such market value is above par, they will be accepted at their par value.

(c) Bonds of any city or county in the United States having a population of over 30,000, as shown by the latest reports of the Bureau of the Census, and bonds of any school district in the United States in which the whole or the major portion of any such city is included, which city, county, or school district has been in existence for a period of ten years, which for a period of ten years previously has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose *net funded indebtedness* does not exceed 10 per cent of the valuation of its taxable property, to be ascertained by the last preceding valuation for the assessment of taxes, will be accepted at 90 per cent of their market value, but if such market value is above par, they will be accepted at 90 per cent of their par value.

(d) Bonds of any city, town, borough, or village in the United States, having a population of over 20,000 and not exceeding 30,000, as shown by the latest reports of the Bureau of the Census, and bonds of any school district in the United States in which the whole or the major portion of any such municipality is included, which city, town, borough, village, or school district has been in existence for a period of ten years, which for a period of ten years previously has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose *net funded indebtedness* does not exceed 10 per cent of the valuation of its taxable property, to be ascertained by the last preceding valuation for the assessment of taxes, will be accepted at 80 per cent of their market value, but if such market value is above par, they will be accepted at 80 per cent of their par value.

(e) Bonds of any other city, town, county, or other legally constituted municipality or district in the United States, which has been in existence for a period of ten years, which for a period of ten years previously has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose *net funded indebtedness* does not exceed 10 per cent of the valuation of its taxable property, to be ascertained by the last preceding valuation for the assessment of taxes, will be accepted at 75 per cent of their market value, but if such market value is above par, they will be accepted at 75 per cent of their par value.

3. The term "*net funded indebtedness*," for the purposes of paragraph 2, (c), (d), and (e), is hereby defined to be the difference between the legal gross indebtedness of a city, town, county, or other legally constituted municipality or district (including the amount of the bonds of any civil division whose territorial limits are approximately coterminous therewith) and the aggregate of the following items, when included in such legal gross indebtedness:

(a) The total of all sinking funds accumulated for the redemption of such gross indebtedness, except sinking funds applicable to bonds hereafter described in this section.

(b) The amount of outstanding bonds or other debt obligations, made payable from current revenues.

(c) The amount of outstanding bonds issued for the purpose of providing the inhabitants of a municipality with public utilities: *Provided*, That evidence is submitted showing that the income from such utilities has proved to be sufficient for maintenance, for payment of interest on such bonds, and for the accumulation of a sinking fund for their redemption.

(d) The amount of outstanding improvement bonds, issued under laws which provide for the levying of special assessments against abutting property: *Provided*, That evidence is submitted showing

that assessments are levied in sufficient amounts to insure the payment of interest on the bonds and the redemption thereof.

4. The Board of Trustees reserves the right to reclassify the securities acceptable for deposits and to change the valuation at which they will be accepted. Under no circumstances will securities of other classes than those above named be accepted.

SEC. 9. Bonds of the several classes described in section 8, paragraph 2, (b), (c), (d), and (e), to be acceptable as security, shall be the general obligations of the States, Territories, counties, cities, towns, or other political divisions by or in behalf of which they are issued, and payable, either directly or ultimately, without limitation to a special fund, from the proceeds of taxes authorized to be levied upon all the taxable real and personal property within the territorial limits of such political divisions: *Provided*, That in any case where the rate of tax may be subject to a constitutional or statutory limit, the Solicitor for the Post Office Department may require satisfactory evidence that, notwithstanding such limit, the interest and principal of the bonds can be paid after making due provision for current expenses, interest and principal of outstanding debts, and other necessary charges.

SEC. 10. Obligations of the general class embracing what are commonly known as "revenue bonds," "temporary bonds," "temporary notes," "certificates of indebtedness," "warrants," and the like obligations, whether issued in anticipation of the collection of taxes, assessments, or other revenues, or of the sale of bonds or other obligations, or for similar purposes, will not be accepted as security for postal savings deposits: *Provided*, That, in applying this regulation, consideration will be given to the legal status of the obligations submitted rather than to the nomenclature employed in designating such obligations.

SEC. 11. Bonds which in all other respects are found to be legally acceptable as security under the postal savings act and these regulations will be construed, as a matter of law, to conform to those provisions of section 8, paragraph 2, (c), (d), and (e), respectively, which relate to term of existence and nondefault, under the following conditions:

(a) Bonds issued by or in behalf of any city, town, county, or other legally constituted municipality or district in the United States which was, subsequently to the issuance of such bonds, consolidated with, or merged into, an existing political division which meets the requirements of these regulations, will be deemed to be the bonds of such political division: *Provided*, That such bonds were assumed by such political division under statutes and appropriate proceedings the effect of which is to make such bonds general obligations of such assuming political division, and payable, either directly or ultimately, without limitation to a special fund, from the

proceeds of taxes levied upon all the taxable real and personal property within its territorial limits.

(b) Bonds issued by or in behalf of any city, town, county, or other legally constituted municipality or district in the United States which was, subsequently to the issuance of such bonds, wholly succeeded by a newly organized political division, whose term of existence, added to that of such original political division, or of any other political division so succeeded, is equal to a period of 10 years, will be deemed to be bonds of such succeeding political division: *Provided*, That during such period none of such political divisions shall have defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it: *And provided further*, That such bonds were assumed by such new political division under statutes and appropriate proceedings the effect of which is to make such bonds general obligations of such assuming political division, and payable, either directly or ultimately, without limitation to a special fund, from the proceeds of taxes levied upon all the taxable real and personal property within its territorial limits.

(c) Bonds issued by or in behalf of any city, town, county, or other legally constituted municipality or district in the United States which, prior to such issuance, became the successor of one or more, or was formed by the consolidation or merger of two or more, preexisting political divisions, the term of existence of one or more of which, added to that of such succeeding or consolidated political division, is equal to a period of 10 years, will be deemed to be bonds of a political division which has been in existence for a period of 10 years: *Provided*, That during such period none of such original, succeeding, or consolidated political divisions shall have defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it.

SEC. 12. The Treasurer of the Board of Trustees shall make examinations semiannually, or oftener if he deems it necessary, of the securities which have been accepted from qualified banks, and whenever, in his judgment, any of such securities have so far depreciated in value as to make desirable the deposit of additional or new securities, he shall inform the Third Assistant Postmaster General of the name of the bank, the kind and amount of the securities, and the amount of the depreciation. The Third Assistant Postmaster General will notify the Treasurer and the bank of the amount of additional or new securities which the bank shall deposit, and upon their receipt by the Treasurer, the procedure provided in section 6 as to their acceptance or rejection, and in section 22, as to the return of the original securities, if new securities are required, shall be followed.

APPORTIONMENT OF DEPOSITS.

SEC 13. When more than one bank in any city, town, village, or locality has qualified to receive postal savings funds, deposits of such funds shall be apportioned substantially upon the basis of capital and surplus as required by the act of May 18, 1916, and shall be made to the credit of the Board of Trustees in such rotation and amounts as will effect such apportionment, until the deposits reach the maximum balance authorized for any bank. The banks concerned will be fully informed in the premises.

2. An apportionment of postal savings funds will apply in the case of each qualified bank only to funds deposited after the date as of which the bank qualified.

SEC. 14. After any apportionment of funds has been made in a given locality, no other bank will be allowed to qualify to receive postal savings deposits except as of the 1st day of January, April, July, or October, unless the maximum amount of deposits applied for by the banks already qualified has been reached and such banks have not qualified for additional funds. When a qualified member bank of the Federal Reserve System in which the deposits have reached the maximum authorized balance declines or fails to furnish additional collateral and a local nonmember bank qualifies to receive deposits, the member bank must await the next quarterly reapportionment date before qualifying for additional funds. Applications to qualify under a reapportionment of the funds of any depository office shall be forwarded in sufficient time to reach the Third Assistant Postmaster General, Division of Postal Savings, before the 15th day of December, March, June, or September.

2. When the capital or surplus of a depository bank is increased or reduced after it has qualified as a depository, the president or cashier shall promptly certify to the Third Assistant Postmaster General, Division of Postal Savings, the amount of such bank's paid-in capital and unimpaired surplus, exclusive of undivided profits, after such increase or reduction, in order that proper reapportionment of the deposits may be made among the banks affected as of the dates first above named.

INTEREST.

SEC. 15. Until further notice, banks which have qualified to receive deposits of postal savings funds will be required to credit the Board of Trustees with interest at the rate of two and one-half per cent per annum, as of January 1 and July 1 in each year, upon the average daily balances of postal savings funds deposited with such banks, as shown by the audited accounts of postmasters and other agents of the Postal Savings System. Such interest shall be computed and entered as required by instructions on the back of Form PS 510.

2. The Board of Trustees will, from time to time, make such changes in the rate of interest to be paid by qualified banks as it may deem proper, subject to the minimum rate prescribed by the act of May 18, 1916, the rate adopted being uniform throughout the United States and Territories thereof.

DEPOSITS OF FUNDS IN BANKS.

SEC. 16. Postmasters who deposit in qualified banks will be instructed to make all such deposits to the credit of the Board of Trustees, Postal Savings System, and will be required to make daily deposits of all excess postal savings receipts amounting to \$10 or more, except on the 25th day of each month, when all cash on hand amounting to \$1 or more shall be deposited.

2. On receipt of a deposit of such funds the bank shall issue a certificate of deposit, in duplicate, on Form PS 400, in the name of the postmaster or other officer or agent making the deposit. The duplicate shall be immediately delivered or forwarded to the postmaster or other officer or agent making the deposit and the original certificates shall be forwarded by the bank at the close of each calendar week to the Third Assistant Postmaster General, Division of Postal Savings. All original certificates on hand at the end of a month, even though covering only a part of a week, shall be forwarded. Qualified banks will be supplied with blank certificates, Form PS 400.

EXCESS DEPOSITS.

SEC. 17. If any postmaster shall deposit in a qualified bank an amount in excess of the maximum balance authorized, such bank shall immediately notify the Third Assistant Postmaster General, Division of Postal Savings, and, until otherwise directed, shall transfer such excess at the close of business each day to the Treasurer of the United States at Washington or to the Assistant Treasurer of the United States in one of the following cities: New York, Philadelphia, Boston, Baltimore, Cincinnati, Chicago, St. Louis, New Orleans, or San Francisco. Such transfer shall be made to the credit of the "Board of Trustees, Postal Savings System, on account of returnable deposits."

SEC. 18. Should additional funds beyond the amount for which a bank has qualified become available for deposit, the bank, in order to receive further deposits, will be required to furnish additional securities in the manner provided by section 5, paragraphs 3 and 4, and the procedure set forth in sections 6 and 7 shall be followed. When the volume of deposits in a qualified bank approaches the maximum balance which it is authorized to receive, and it appears that funds will be available in the near future for deposit in excess of such balance, the bank may, if it so desires, forward additional bonds directly

to the Treasurer of the United States without awaiting instructions from the Third Assistant Postmaster General, who should, however, be promptly notified of such action.

WITHDRAWALS BY POSTMASTERS.

SEC. 19. All postal savings funds are required to be deposited to the credit of the Board of Trustees. In order to provide a postmaster who deposits in bank with funds for meeting withdrawals by depositors, one bank, especially designated for the purpose, will be authorized to honor his official checks, drawn against the Board of Trustees' account, and not exceeding a specified amount in any one calendar month. The amount of the credit thus fixed may be added to the proportion of deposits assigned to the designated bank, but shall be secured by bonds, subject to the payment of interest, and included in the maximum balance which such bank is authorized to receive. Such credit may be increased from time to time by the Third Assistant Postmaster General.

WITHDRAWALS BY BOARD OF TRUSTEES.

SEC. 20. Whenever postal savings funds are to be withdrawn from a qualified bank by the Board of Trustees for investment in bonds or other securities of the United States, or for other purposes, the Third Assistant Postmaster General will draw a draft on the bank, or will direct the bank to deposit the required amount to the credit of the "Board of Trustees, Postal Savings System," with the Treasurer or an assistant treasurer of the United States, or other authorized agent.

2. On receipt of such deposit the Treasurer, assistant treasurer, or other agent shall issue a certificate of deposit in duplicate in the name of the depositing bank, and forward the original certificate to the Third Assistant Postmaster General, Division of Postal Savings, and the duplicate to the bank.

3. When funds are to be transferred from one bank to another by direction of the Third Assistant Postmaster General, the procedure prescribed in section 16, paragraph 2, shall be followed.

WITHDRAWALS OF SECURITIES BY BANKS.

SEC. 21. Whenever a bank desires to relinquish the whole or a part of its postal savings deposits or to withdraw such of its securities as do not cover deposits, it shall notify the Third Assistant Postmaster General, Division of Postal Savings, and shall forward to him the duplicate receipt or receipts issued by the Treasurer of the United States at the time the securities were deposited, together with a duly attested and certified copy of a resolution of its board of directors authorizing such withdrawal and specifying the disposition to be made of the securities.

2. The Third Assistant Postmaster General will direct the bank as to the disposition to be made of the relinquished deposits, and after such disposition will transmit both the original and duplicate receipts to the Treasurer of the United States, who shall then dispose of the bonds as directed by the bank.

3. If the entire amount of securities deposited is not withdrawn, the Treasurer shall return the receipts to the Third Assistant Postmaster General, indorsing thereon the amount of securities withdrawn, and the Third Assistant Postmaster General will transmit the duplicate receipt to the bank. If the entire amount of securities deposited is withdrawn, the receipts shall be canceled and retained by the Treasurer.

4. Registered bonds withdrawn for any reason shall be assigned by the Treasurer directly to the bank for whose account they were previously held, except in the cases covered by sections 23 and 25, and except where United States bonds are called for redemption, in which case they shall be assigned directly to the Secretary of the Treasury.

5. If the duplicate receipt issued to a bank covering securities deposited shall be lost, stolen, or destroyed, and can not be produced when a withdrawal of bonds is to be made, an affidavit setting forth the facts shall be executed by an officer of the bank and forwarded to the Third Assistant Postmaster General, who may authorize the Treasurer of the United States to accept such affidavit in lieu of the missing receipt.

SEC. 22. When a bank desires to substitute securities in lieu of those already deposited, it shall notify the Third Assistant Postmaster General, Division of Postal Savings, inclosing the Treasurer's duplicate receipt for the bonds to be withdrawn, and a duly certified and attested copy of a resolution of its board of directors authorizing such substitution. The Third Assistant Postmaster General will then forward to the Treasurer both the original and duplicate receipts for the bonds to be withdrawn and direct the bank to forward to the Treasurer the securities to be substituted. If they are accepted, the Treasurer shall issue new receipts to the Third Assistant Postmaster General and to the bank and dispose of the securities withdrawn as requested by the bank.

SEC. 23. When banks desire to exchange with one another securities deposited by them, they shall forward to the Third Assistant Postmaster General lists of such securities, accompanied by duly attested and certified copies of resolutions of their boards of directors authorizing such exchanges and the Treasurer's duplicate receipts covering such securities. If the exchanges are approved, the Third Assistant Postmaster General will so inform the Treasurer, who shall simultaneously withdraw from deposit and assign the securities and redeposit them for account of the respective banks, issuing new receipts in duplicate therefor.

FAILURE OF BANKS TO REPAY DEPOSITS OR OTHERWISE TO OBSERVE REGULATIONS.

SEC. 24. Any qualified bank which shall fail to comply with these regulations shall be liable to be disqualified. In the event of such disqualification the Third Assistant Postmaster General will direct the bank as to the disposition to be made of its postal savings deposits, and the bank shall thereupon comply with the provisions of section 21 in so far as they shall be applicable.

SEC. 25. If a qualified bank shall fail or decline to repay postal savings deposits and accrued interest thereon, when so required by the Third Assistant Postmaster General, he will authorize and direct the Treasurer of the United States to invite bids for the purchase of securities deposited by such bank and to sell such portion thereof as may be necessary to reimburse the Board of Trustees in the amount which the bank has failed or declined to pay, and to assign and deliver such securities to the purchaser upon payment therefor. The proceeds from such sale shall be deposited by the Treasurer to the credit of the Board of Trustees as directed by the Third Assistant Postmaster General. Any portion of such securities or the proceeds thereof remaining after the Board of Trustees has been fully reimbursed shall be returned to the bank or to its receiver or other legal representative.

2. If it shall appear to the Treasurer that the immediate sale of such securities as above provided would not realize a sufficient amount to reimburse fully the Board of Trustees, he shall so inform the Third Assistant Postmaster General, who may direct that such sale be deferred.

REPORTS.

SEC. 26. At the close of each month, or oftener if required, each qualified bank shall render to the Third Assistant Postmaster General, Division of Postal Savings, a statement on Form PS 510 of the postal savings fund account as shown by its books, giving all information called for by said form, a supply of which will be furnished to each bank. This report is necessary for the audit of the accounts of postmasters and banks, and shall be rendered in every case when funds are on deposit, even though no transactions occurred during the month. Each bank shall forward all paid checks or drafts with the monthly statement of account in which credit is claimed for their payment.

2. Each bank shall furnish at any time to a duly authorized representative of the Board of Trustees any information requested as to its postal savings transactions.

MISCELLANEOUS.

SEC. 27. No bank in which postal savings funds are deposited shall charge or receive any exchange or other fees or compensation on account of the cashing or collection of any checks or drafts or the performance of any other service in connection with the Postal Savings System. (See sec. 8, act of June 25, 1910.)

SEC. 28. A qualified bank may advertise that it is a "United States depository for postal savings funds," but no other form of advertisement is authorized by the Board of Trustees.

APPENDIX.

AN ACT TO ESTABLISH POSTAL SAVINGS DEPOSITORYES FOR DEPOSITING SAVINGS AT INTEREST WITH THE SECURITY OF THE GOVERNMENT FOR REPAYMENT THEREOF, AND FOR OTHER PURPOSES.¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That there be, and is hereby, created a board of trustees for the control, supervision, and administration of the postal savings depository offices designated and established under the provisions of this act, and of the funds received as deposits at such postal savings depository offices by virtue thereof. Said board shall consist of the Postmaster General, the Secretary of the Treasury, and the Attorney General, severally, acting *ex officio*, and shall have power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repayment of the funds deposited at postal savings depository offices.

Board of trustees.

Personnel.

Powers.

The board of trustees shall submit a report to Congress at the beginning of each regular session showing by States and Territories (for the preceding fiscal year) the number and names of post offices receiving deposits, the aggregate amount of deposits made therein, the aggregate amount of withdrawals therefrom, the number of depositors in each, the total amount standing to the credit of all depositors at the conclusion of the year, the amount of such deposits at interest, the amount of interest received thereon, the amount of interest paid thereon, the amount of deposits surrendered by depositors for bonds issued by authority of this act, and the number and amount of unclaimed deposits. Also the amount invested in Government securities by the trustees, the amount of extra expense of the Post Office Department and the postal service incident to the operation of the postal savings depository

Report to Congress.

¹ Amended by acts of Aug. 24, 1912 (see p. 25), Sept. 23, 1914 (see p. 25), and May 18, 1916 (see p. 26).

Bracketed words in italics amended by the act of September 23, 1914. See page 26.

system, [*the amount of work done for the savings depository system by the Post Office Department and postal service in the transportation of free mail,*] and all other facts which it may deem pertinent and proper to present.

Bracketed section in italics amended by the act of September 23, 1914. See page 26.

[SEC. 2. *That the Postmaster General is hereby directed to prepare and issue special stamps of the necessary denominations for use, in lieu of penalty or franked envelopes, in the transmittal of free mail resulting from the administration of this act.*]

Postal savings depository offices.

SEC. 3. That said board of trustees is hereby authorized and empowered to designate such post offices as it may select to be postal savings depository offices, and each and every post office so designated by order of said board is hereby declared to be a postal savings depository office within the meaning of this act and to be authorized and required to receive deposits of funds from the public and to account for and dispose of the same, according to the provisions of this act and the regulations made in pursuance thereof. Each postal savings depository office shall be kept open for the transaction of business during such hours as the Postmaster General, with the approval of the board of trustees, shall direct.

Hours of business.

Opening of accounts.

SEC. 4. That accounts may be opened and deposits made in any postal savings depository established under this act by any person of the age of ten years or over, in his or her own name, and by a married woman in her own name and free from any control or interference by her husband; but no person shall at the same time have more than one postal savings account in his or her own right.

Age of depositors.
Married women.

One person, one account.

SEC. 5. That the postmaster at a postal savings depository office shall, upon the making of an application to open an account under this act and the submission of an initial deposit, deliver to the depositor a pass book free of cost, upon which shall be written the name and signature or mark of the depositor and such other memoranda as may be necessary for purposes of identification, in which pass book entries of all deposits and withdrawals shall be made in both figures and writing: *Provided*, That the Postmaster General may, with the approval of the board of trustees, adopt some other device or devices in lieu of a pass book as a means of making and preserving evidence of deposits and withdrawals.

Pass books.

Device in lieu of pass books.

SEC. 6. That at least one dollar, or a larger amount in multiples thereof, must be deposited before an account is opened with the person depositing the same, and one dollar, or multiples thereof, may be deposited after such account has been opened, [*but no one shall be permitted to deposit more than one hundred dollars in any one calendar month*]: *Provided*, That in order that smaller amounts may be accumulated for deposit any person may purchase for ten cents from any depository office a postal savings card to which may be attached specially prepared adhesive stamps, to be known as "postal savings stamps," and when the stamps so attached amount to one dollar, or a larger sum in multiples thereof, including the ten-cent postal savings card, the same may be presented as a deposit for opening an account, and additions may be made to any account by means of such card and stamps in amounts of one dollar, or multiples thereof, and when a card and stamps thereto attached are accepted as a deposit the postmaster shall immediately cancel the same. It is hereby made the duty of the Postmaster General to prepare such postal savings cards and postal savings stamps of denominations of ten cents, and to keep them on sale at every postal savings depository office, and to prescribe all necessary rules and regulations for the issue, sale, and cancellation thereof.

Deposits:
At least one
dollar.
Multiples of one
dollar.

Bracketed
words in italics
amended by the
act of May 18,
1916. See page 26.

Postal savings
cards.
Postal savings
stamps.

Sale of postal
savings cards and
stamps.

SEC. 7. That interest at the rate of two per centum per annum shall be allowed and entered to the credit of each depositor once in each year, the same to be computed on such basis and under such rules and regulations as the board of trustees may prescribe; but interest shall not be computed or allowed on fractions of a dollar: [*Provided, That the balance to the credit of any one person shall never be allowed to exceed five hundred dollars, exclusive of accumulated interest.*]

Interest on de-
posits:
Entered once a
year.

Subject to regu-
lation.

Bracketed
words in italics
amended by the
act of May 18,
1916. See page 26.

SEC. 8. That any depositor may withdraw the whole or any part of the funds deposited to his or her credit, with the accrued interest, upon demand and under such regulations as the board of trustees may prescribe. Withdrawals shall be paid from the deposits in the State or Territory, so far as the postal funds on deposit in such State or Territory may be sufficient for the purpose, and, so far as practicable, from the deposits in the community in which the deposit was made. No bank in which postal savings funds shall be deposited shall receive any ex-

Withdrawal of
deposits.
Paid from local
depositories.

Banks not to re-
ceive exchange or
other fees.

change or other fees or compensation on account of the cashing or collection of any checks or the performance of any other service in connection with the postal savings depository system.

Bracketed section in italics superseded by section 2 of the act of May 18, 1916. See page 27.

[*SEC. 9. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under National or State laws, being subject to National or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than two and one-fourth per centum per annum, which rates shall be uniform throughout the United States and Territories thereof; but five per centum of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof, but the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half the surplus of such bank. If no such bank exist in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then the same shall be deposited with the treasurer of the board of trustees, and shall be counted in making up the reserve of five per centum. Such funds may be withdrawn from the treasurer of said board of trustees and all other postal savings funds, or any part of such funds, may be at any time withdrawn from banks and saving depository offices for the repayment of postal savings depositors when required for that purpose. Not exceeding thirty per centum of the amount of such funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States,*

it being the intent of this act that the residue of such funds, amounting to sixty-five per centum thereof, shall remain on deposit in the banks in each State and Territory willing to receive the same under the terms of this act, and shall be a working balance and also a fund which may be withdrawn for investment in bonds or other securities of the United States, but only by direction of the President, and only when, in his judgment, the general welfare and the interests of the United States so require. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue: Provided, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise: And provided further, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this Act, the word "Territory," as used herein, shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank" shall be held to include savings banks and trust companies doing a banking business.]

SEC. 10. That any depositor in a postal savings de-
 pository may surrender his deposit, or any part thereof,
 in sums of twenty dollars, forty dollars, sixty dollars,
 eighty dollars, one hundred dollars, and multiples of
 one hundred dollars and five hundred dollars, and receive
 in lieu of such surrendered deposits, under such regula-
 tions as may be established by the board of trustees, the
 amount of the surrendered deposits in United States
 coupon or registered bonds of the denominations of
 twenty dollars, forty dollars, sixty dollars, eighty
 dollars, one hundred dollars, and five hundred dollars,
 which bonds shall bear interest at the rate of two and
 one-half per centum per annum, payable semiannually,
 and be redeemable at the pleasure of the United States
 after one year from the date of their issue and payable
 twenty years from such date, and both principal and
 interest shall be payable in United States gold coin of the
 present standard of value: *Provided*, That the bonds
 herein authorized shall be issued only (first) when there
 are outstanding bonds of the United States subject to

Postal savings
bonds:

Exchange of
deposits.

Denomina-
tions.

Interest.

Redeemable af-
ter one year.

Payable after
twenty years, in
gold coin.

When bonds
may be issued.

call, in which case the proceeds of the bonds shall be applied to the redemption at par of outstanding bonds of the United States subject to call, and (second) at times when under authority of law other than that contained in this act the Government desires to issue bonds for the purpose of replenishing the Treasury, in which case the issue of bonds under authority of this act shall be in lieu of the issue of a like amount of bonds issuable under authority of law other than that contained in this act:

Secretary of Treasury to prescribe regulations of bond issue.

Board of trustees may invest in postal savings bonds.

Exempt from taxation.

Not receivable as security for issue of circulating notes by national banks.

Investment in United States bonds.

Bonds called for redemption.

Bonds reissued to board of trustees.

Redemption of bonds so reissued.

Provided further, That the bonds authorized by this act shall be issued by the Secretary of the Treasury under such regulations as he may prescribe: *And provided further*, That the authority contained in section nine of this act for the investment of postal savings funds in United States bonds shall include the authority to invest in the bonds herein authorized whenever such bonds may be lawfully issued: *And provided further*, That the bonds herein authorized shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority: *And provided further*, That no bonds authorized by this act shall be receivable by the Treasurer of the United States as security for the issue of circulating notes by national banking associations.

SEC. 11. That whenever the trustees of the postal savings fund have in their possession funds available for investment in United States bonds they may notify the Secretary of the Treasury of the amount of such funds in their hands which they desire to invest in bonds of the United States subject to call, whereupon, if there are United States bonds subject to call, the Secretary of the Treasury shall call for redemption an amount of such bonds equal to the amount of the funds in the hands of the trustees which the trustees desire to thus invest, and the bonds so called shall be redeemed at par with accrued interest at the Treasury of the United States on and after three months from the date of such call, and interest on the said bonds shall thereupon cease: *Provided*, That the said bonds when redeemed shall be reissued at par to the trustees without change in their terms as to rate of interest and date of maturity: *And provided further*, That the bonds so reissued may, in the discretion of the Secretary of the Treasury, be called for redemption from the trustees in like manner as they

were originally called for redemption from their former owners whenever there are funds in the Treasury of the United States available for such redemption.

SEC. 12. That postal savings depository funds shall be kept separate from other funds by postmasters and other officers and employees of the postal service, who shall be held to the same accountability under their bonds for such funds as for public moneys; and no person connected with the Post Office Department shall disclose to any person other than the depositor the amount of any deposits, unless directed so to do by the Postmaster General. All statutes relating to the safekeeping of and proper accounting for postal receipts are made applicable to postal savings funds, and the Postmaster General may require postmasters, assistant postmasters, and clerks at postal savings depositories to give any additional bond he may deem necessary.

Postal savings funds to be kept separate by postmasters.

Deposits held confidential.

Laws relating to safekeeping of postal funds made applicable.

Additional bond.

[*Sec. 13. That additional compensation shall be allowed postmasters at post offices of the fourth class for the transaction of postal savings depository business. Such compensation shall not exceed one-fourth of one per centum on the average sum upon which interest is paid each calendar year on receipts at such post office, and shall be paid from the postal revenues; but postmasters, assistant postmasters, clerks, or other employees at post offices of the presidential grade shall not receive any additional compensation for such service.*]

Bracketed section in italics amended by the act of September 23, 1914. See page 26.

SEC. 14. That the sum of one hundred thousand dollars is hereby appropriated, out of any money in the Treasury not otherwise appropriated, or so much thereof as may be necessary, to enable the Postmaster General and the board of trustees to establish postal savings depositories in accordance with the provisions of this act, including the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized in this act; and the Postmaster General is authorized to require postmasters and other postal officers and employees to transact, in connection with their other duties, such postal savings depository business as may be necessary; and he is also authorized to make, and with the approval of the board of trustees to promulgate, and from time to time to modify or revoke, subject to the approval of said board, such rules and regulations not in conflict with law as he

Appropriation.

Reimbursement of Secretary of the Treasury.

Postmaster General may require postal employees to transact postal savings business.

Postmaster General may make rules and regulations subject to approval of board of trustees.

may deem necessary to carry the provisions of this act into effect.

Protective and criminal statutes made applicable to postal savings funds.

SEC. 15. That all the safeguards provided by law for the protection of public moneys, and all statutes relating to the embezzlement, conversion, improper handling, retention, use, or disposal of postal and money-order funds and the punishments provided for such offenses are hereby extended and made applicable to postal savings depository funds, and all statutes relating to false returns of postal and money-order business, the forgery, counterfeiting, alteration, improper use or handling of postal and money-order blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor, with the penalties provided in such statutes, are hereby extended and made applicable to postal savings depository business, and the forgery, counterfeiting, alteration, improper use or handling of postal savings depository blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor.

Pledge for repayment of deposits.

SEC. 16. That the faith of the United States is solemnly pledged to the payment of the deposits made in postal savings depository offices, with accrued interest thereon as herein provided.

Adjudication of courts will be conclusive as to rights in postal savings funds.

SEC. 17. That the final judgment, order, or decree of any court of competent jurisdiction adjudicating any right or interest in the credit of any sums deposited by any person with a postal savings depository if the same shall not have been appealed from and the time for appeal has expired shall, upon submission to the Postmaster General of a copy of the same, duly authenticated in the manner provided by the laws of the United States for the authentication of the records and judicial proceedings of the courts of any State or Territory or of any possession subject to the jurisdiction of the United States, when the same are proved or admitted within any other court within the United States, be accepted and pursued by the board of trustees as conclusive of the title, right, interest, or possession so adjudicated, and any payment of said sum in accordance with such order, judgment, or decree shall operate as a full and complete discharge of the United States from the claim or demand of any person or persons, to the same.

Approved, June 25, 1910.

AN ACT MAKING APPROPRIATIONS FOR THE SERVICE OF THE POST OFFICE DEPARTMENT FOR THE FISCAL YEAR ENDING JUNE THIRTIETH, NINETEEN HUNDRED AND THIRTEEN, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * *

SEC. 10. * * * *And provided further,* That all expenditures in the postal savings system shall be audited by the Auditor for the Post Office Department: *And provided further,* That the Postmaster General shall select and designate the post offices which are to be postal savings depository offices, and shall appoint and fix the compensation of such superintendents, inspectors, and other employees as may be necessary in conducting, supervising, and directing the business of such offices, including the employees of a central office at Washington, District of Columbia, and shall prescribe the hours during which postal savings depository offices shall remain open. He shall also from time to time make rules and regulations with respect to the deposits in and withdrawals of moneys from postal savings depositories and the issue of pass books or such other devices as he may adopt as evidence of such deposits or withdrawals. The provisions of the Act approved June twenty-fifth, nineteen hundred and ten, are hereby modified accordingly.

Audit.

Postmaster General:
To designate offices.
To be executive head of system.

To prescribe hours of business.

To make regulations as to deposits and withdrawals.

Act of June 25, 1910, amended.

* * * * *

Approved, August 24, 1912.

AN ACT TO AMEND THE ACT APPROVED JUNE TWENTY-FIFTH, NINETEEN HUNDRED AND TEN, ENTITLED "AN ACT TO ESTABLISH POSTAL SAVINGS DEPOSITORIES FOR DEPOSITING SAVINGS AT INTEREST WITH THE SECURITY OF THE GOVERNMENT FOR REPAYMENT THEREOF, AND FOR OTHER PURPOSES."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections two and thirteen of the act approved June twenty-fifth, nineteen hundred and ten, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," be hereby amended to read as follows:

Law governing other official mail made applicable to postal savings matter.

"SEC. 2. That provisions of section three of the act of July fifth, eighteen hundred and eighty-four, entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June thirtieth, eighteen hundred and eighty-five, and for other purposes,' are hereby extended and made applicable to all official mail matter pertaining to the business of the postal savings system; and hereafter the board of trustees for the control, supervision, and administration of the postal savings depository system shall not be required to show in the annual report prescribed by section one of the act of June twenty-fifth, nineteen hundred and ten, establishing such system, the amount of work done for that system by the Post Office Department and postal service in the transportation of free mail.

Cost of carrying postal savings mail no longer to be reported to Congress.

No extra compensation to postmasters or postal employees for transacting postal savings business.

"SEC. 13. Postmasters, assistant postmasters, clerks, or other employees at post offices of the presidential grade, and postmasters at post offices of the fourth class, shall not be allowed or paid any additional compensation for the transaction of postal savings depository business."

Approved, September 23, 1914.

AN ACT TO AMEND THE ACT APPROVED JUNE TWENTY-FIFTH, NINETEEN HUNDRED AND TEN, AUTHORIZING THE POSTAL SAVINGS SYSTEM, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That such part of section six of the act approved June twenty-fifth, nineteen hundred and ten, authorizing a system of postal savings depositories, as reads "but no one shall be permitted to deposit more than \$100 in any one calendar month" is hereby amended to read as follows: "but the balance to the credit of any person, upon which interest is payable, shall not exceed \$1,000, exclusive of accumulated interest"; and said act is further amended so that the proviso in section seven thereof shall read as follows: "Provided, That the board of trustees may, in their discretion, and under such regulations as such board may promulgate, accept additional deposits not to exceed in the aggregate \$1,000 for each depositor, but upon which no interest shall be paid."

Monthly limitation removed.

Maximum interest-bearing balance to the credit of a depositor.

Additional non-interest-bearing deposits.

SEC. 2. That postal savings funds received under the provisions of this act shall be deposited in solvent banks, whether organized under National or State laws, and whether member banks or not of the Federal reserve system established by the act approved December twenty-third, nineteen hundred and thirteen, being subject to National or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than two and one-fourth per centum per annum, which rate shall be uniform throughout the United States and Territories thereof; but five per centum of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, authorized by act of Congress or supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this act and the regulations made by authority thereof: *Provided, however,* If one or more member banks of the Federal reserve system established by the act approved December twenty-third, nineteen hundred and thirteen, exists in the city, town, village, or locality where the postal savings deposits are made, such deposits shall be placed in such qualified member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same. If no such member bank and no other qualified bank exists in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then such funds shall be deposited with the treasurer of

Depository banks.

Minimum rate of interest.

Rate to be uniform. Five per cent reserve.

Treasurer of board of trustees.

Security furnished by banks.

Postal savings funds. Distribution in local banks.

Member banks of the Federal Reserve System given preference.

Where no local bank exists.

Deposits with treasurer.

the board of trustees and shall be counted in making up the reserve of five per centum. Such funds may be withdrawn from the treasurer of said board of trustees, and all other postal savings funds, or any part of such funds, may be at any time withdrawn from the banks and savings depository offices for the repayment of postal savings depositors when required for that purpose. If at any time the postal savings deposits in any State or Territory shall exceed the amount which the qualified banks therein are willing to receive under the terms of this act, and such excess amount is not required to make up the reserve fund of five per centum hereinbefore provided for, the board of trustees may invest all or any part of such excess amount in bonds or other securities of the United States. When, in the judgment of the President, the general welfare and interests of the United States so require, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of five per centum herein provided for, in bonds or other securities of the United States. The board of trustees may in its discretion purchase from the holders thereof bonds which have been or may be issued under the provisions of section ten of the act of June twenty-fifth, nineteen hundred and ten. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors, as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue: *Provided further*, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this act, and not otherwise: *And provided further*, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this act the word "Territory" as used herein shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank" shall be held to include savings banks and trust companies doing a banking business.

All funds available for repayment of depositors.

Excess deposits in any State may be invested in United States bonds.

All funds except reserve may be invested by direction of the President.

Board of trustees may purchase postal savings bonds from holders.

Interest and profit applied to payment of interest.

Excess to be covered into postal revenue.

Unauthorized disposition of funds forbidden.

Disposal of investment bonds to meet withdrawals.

Meaning of "Territory."

Savings banks and trust companies.

Repeal of conflicting laws.

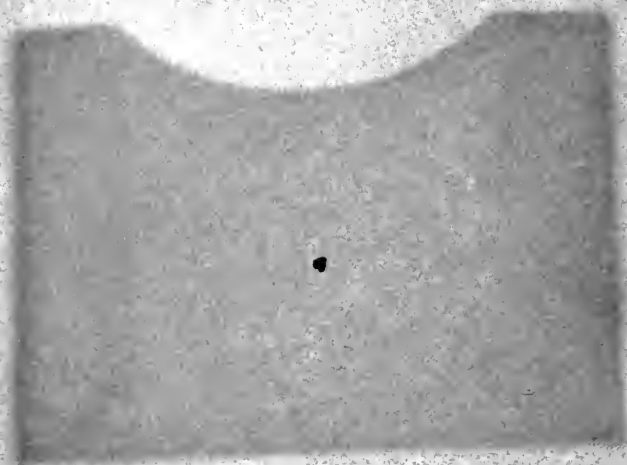
SEC. 17. That all laws or parts of laws in conflict with the provisions of this act are hereby repealed.

Approved, May 18, 1916.









Makers
Syracuse, N. Y.
PAT. JAN. 21, 1908

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